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Soviet Overspending on Weapons Seen

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WASHINGTON—Sophisticated military equipment is costing the Soviet Union more than American analysts had anticipated, and may be contributing to economic problems in that country, according to the CIA.

In China, meanwhile, the CIA said, military procurement has fallen since 1971 but is expected to grow in the next several years.

CIA Director George Bush said in previously secret testimony, released Tuesday, that the new estimates on Soviet military spending indicate higher costs for Russian defense pro-

grams, rather than an increase in the size of the Soviet arsenal.

Bush appraised Soviet and Chinese military trends in testimony May 24 to the congressional Joint Economic Committee. The edited transcript was made public by Sen. William Proxmire (D-Wis.), chairman of the subcommittee on priorities and economy in government.

Bush told the committee that during the 1970-75 period, Soviet military spending is estimated to have increased at a rate of 4% to 5% a year. Previously, the arms budget was believed to have increased at an annual rate of only 3%.

The transcript also included testimony June 15 by Lt. Gen. Samuel V. Wilson, director of the Defense Intelligence Agency.

Wilson said that Soviet defense spending in 1975, when estimated in dollars, was about 42% higher than U.S. defense authorizations, equivalent to \$114 billion for Russia compared to \$80 billion for the United States.

Bush testified that military procurement in mainland China fell substantially starting in 1971, although there was an upturn in 1975.

The lower level of procurement since 1971, he said, shows that new equipment is being supplied to the forces at a slower rate.

"Over the next several years, as the Chinese begin to replace obsolete equipment with more modern systems, procurement costs can be expected to grow somewhat," he said.

Bush reported that 1975 was a disastrous year for Soviet agriculture and saw a record foreign trade deficit.

"We are getting reports of food shortages, particularly in meat, as well as stories of work slowdowns and vandalisms in the markets as the people vent their ire.

"People are grumbling, but it is not likely to pose problems of public order that the regime cannot keep up with," he said.

Proxmire said in a statement releasing the testimony, "The evidence is at least a contributing factor to the

Soviet Union's recent poor economic showing."

In explaining new estimates of Soviet military spending, Bush said it is indicated that high-technology programs—the most rapidly growing component of Soviet military expenditures—are much more costly than was previously believed.

"Generally speaking," Bush said, "the U.S.S.R. lags far behind the United States in the design and production of advanced electronics components and computers, and in some aspects of missile propulsion and guidance technology. They also lag in the area of advanced machine tools for producing advanced weapons."

The CIA also said that the Soviet Backfire bomber is primarily a medium-range aircraft, not an intercontinental one, and hence does not come under the strategic arms agreements.

But the U.S. Air Force is not convinced.

"So far, it has been deployed to bases that have been used for the medium bomber," CIA expert Edward Proctor told the Joint Economic Committee.

"Therefore, we assume that at least in the initial deployment it is for the same kind of mission—peripheral and antishipping, as the Badger and the TU-22.

"The CIA is saying the aircraft is primarily built for a peripheral role."

The Air Force still considers the Backfire has a limited intercontinental capability that would be enhanced if it is refueled in flight on a mission against the United States.

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